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April 14, 2010

**VIA ELECTRONIC FILING**

Jocelyn Boyd, Esquire  
Interim Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

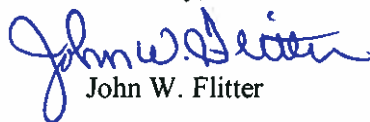
Re: Petition of South Carolina Electric and Gas Company ("SCE&G" or "the Company") for an Accounting Order to Adopt New Depreciation Rates Effective January 1, 2009 (the "Petition")  
**Docket No.: 2009-495-G**

Dear Ms. Boyd:

The Public Service Commission of South Carolina ("the Commission") rescinded Orders No. 2009-909 and 2009-909(A) while the South Carolina Office of Regulatory Staff ("ORS") further reviewed this matter. ORS has concluded its review and finds that the 2009 Depreciation Study filed with the Company's Petition for an Accounting Order to Adopt New Depreciation Rates is correct; however, the Petition accompanying the Depreciation Study does not reflect the results of the Depreciation Study, which shows an annual increase in depreciation of \$116,517 rather than a decrease in depreciation of \$285,000.

Based on discussions between ORS and SCE&G, the Company has agreed not to utilize the 2009 Depreciation Study. Instead, the Company will continue to use the depreciation rates set forth in its 2004 Depreciation Study and approved in Order No. 2005-619 (Docket No. 2005-113-G) as those depreciation rates are more beneficial to ratepayers than utilizing the 2009 Depreciation Study. The Company will continue using the 2004 Depreciation Study until it makes a request of the Commission otherwise.

Sincerely,



John W. Flitter

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Shannon Bowyer Hudson, Esquire, SC ORS  
K. Chad Burgess, Esquire